

NATIONAL DAIRY MARKET AT A GLANCE

At the Chicago Mercantile Exchange, Grade AA butter decreased 1/4 of a cent to \$1.1275, Grades A and B are both unchanged at \$1.0500. Also at the CME, barrel cheese is unchanged at \$1.1275 and 40# blocks are unchanged at \$1.1650.

The Basic Formula Price (BFP) used in Federal Orders (F.O.) for May 1997 is \$10.70 per cwt. at 3.5% butterfat, 74 cents lower than April. The May BFP is the April base month price of \$11.41 minus \$0.71, which is the change in the butter/powder/cheese formula prices from April to May. The butterfat differential is \$0.090. The following are May Class III-A milk prices: F.O.'s 1 and 2, \$11.44; F.O. 4, \$11.46; F.O.'s 124, 131, and 135, \$11.42; and all other affected F.O.'s, \$11.56.

According to NASS, butter production was 117.0 million pounds in April, 7% above April 1996 and 12% above March 1997. American type cheese production totaled 280.9 million pounds, 1% above April 1996 but 1% below March 1997. Total cheese output (excluding cottage cheese) was 598.3 million pounds, 1% below April 1996 and 6% below March 1997. Nonfat dry milk production, for human food, totaled 120.3 million pounds, 3% above April 1996 and 10% above March 1997. Dry whey production, for human food, was 87.1 million pounds, 7% below April 1996 and 5% below March 1997.

Milk production is often lower in the southern regions where temperatures are hot, but it is increasing in the Northwest, Mountain States, Upper Midwest, and Northeast. Fluid milk volumes are excessive of the slowing Class I demand. Most manufacturing plants are operating on extended

schedules to clear all the milk. The fluid cream market is very firm and multiples used to determine prices are quite high for this time of year. Cream supplies range from tight to ample depending on region and demand.

The dry product markets are fairly steady with past weeks. Nonfat dry milk offerings are heavy and sales to CCC from Western producers continue. Production levels are heavier and plant stocks are building at more locations. Demand is just fair. The dry whey market is showing a little firmness, but output is still heavy and demand is not aggressive. The WPC market is starting to show a few signs of firmness as prices are steady to fractionally higher. Offerings are occasionally tighter and demand is steady. The lactose market is mixed. Spot interest is light, but contract and export shipments are active.

During the week of June 2 - 6, CCC purchased 2,960,852 pounds of nonfortified NDM and 356,400 pounds of process cheese under the price support program.

SPECIAL THIS ISSUE

NASS DATA USED TO CALCULATE THE MAY CHEESE AVERAGE
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BUTTER MARKETS**CHICAGO WHOLESALE**

Dollars per pound, trucklot, bulk in fiber boxes, delivered metropolitan area, prices include CCC purchase price whenever bulk butter is moving to CCC from the Midwest area.

GRADE	:	JUNE 3	:	JUNE 5	:	JUNE 6
AA	:	\$1.1300 - 1.1400	:	\$1.1300 - 1.1400	:	\$1.1300 - 1.1400
	:	(.0800) (.0800)	:		:	
A	:	\$1.0500 - 1.0600	:	\$1.0500 - 1.0600	:	\$1.0500 - 1.0600
	:	(.0700) (.0700)	:		:	

() Change from previous price.

BUTTER HIGHLIGHTS: At the Chicago Mercantile Exchange, prices are steady to fractionally lower. Bulk and print butter markets across the country relatively steady. Many producers and handlers continue to adjust to the higher prices of the past few weeks. Churning schedules are active, although cream supplies are tightening. Stocks of butter are in close balance and surplus is being held with confidence for later use. Current retail demand is seasonally fair, stimulated by occasional June Dairy Month features. Food service orders have improved as away from home eating patterns develop and the summer vacation season begins.

CHEESE MARKETS**WISCONSIN ASSEMBLY POINTS**

Dollars per pound, standard moisture basis (37.8-39.0%), carlot/trucklot, F.O.B. plants or storage centers, prices include CCC purchase price whenever cheese is moving to CCC from the Midwest area.

CHEDDAR STYLES	:	JUNE 2 - 6, 1997
BARRELS*	:	\$1.1175 - 1.1375 (NOMINAL)
	:	(-.0100) (-.0150)
40# BLOCKS	:	\$1.1650 - 1.1900 (NOMINAL)
	:	(.0050)

() Change from previous week. * If steel, barrel returned.

CHEESE HIGHLIGHTS: The cheese market remains unsettled, though with a slightly firmer undertone. Prices are unchanged at the Chicago Mercantile Exchange in moderately heavy trading. During the week ending June 6, CCC purchased 356,400 pounds of Midwestern process cheese at \$1.1825 per pound under the price support program. Commercial process demand continues to improve, though overtime remains generally limited. Current offerings remain at least fully adequate. As schools close for the summer, additional fluid supplies are backing into manufacturing channels. Cheese production remains seasonally heavy. CCC market price cheese purchases are found on page 15 of this report.

CHICAGO MERCANTILE EXCHANGE

Sales are listed in chronological order; bids and offers listed in numeric order.

BUTTER TRANSACTIONS ON FRIDAY, JUNE 6, 1997

(CARLOT UNIT = 40,000 - 42,000 LBS.)

GRADE	:	PRICE CHANGE	:	LAST SIGNIFICANT TRANSACTION - LST
AA	:	-.0025	:	\$1.1275 : SALE 06/06/97
A	:	N.C.	:	\$1.0500 : BID 05/30/97
B	:	N.C.	:	\$1.0500 : BID 05/30/97

SALES: 25 CARS GRADE AA: 2 @ \$1.1300, 1 @ \$1.1200, 1 @ \$1.1250, 1 @ \$1.1300, 1 @ \$1.1200, 5 @ \$1.1250, 5 @ \$1.1200, 2 @ \$1.1250, 3 @ \$1.1200, 1 @ \$1.1250, 1 @ \$1.1200, 2 @ \$1.1275 (LST)

BIDS UNFILLED: 1 CAR GRADE AA @ \$1.1000

OFFERS UNCOVERED: 17 CARS GRADE AA: 1 @ \$1.1700, 5 @ \$1.1500, 5 @ \$1.1400, 5 @ \$1.1300, 1 @ \$1.1275

CHEESE TRANSACTIONS ON THURSDAY, JUNE 5, 1997

(CARLOAD UNIT = 40,000-44,000 LBS.)

CHEDDAR STYLES	:	PRICE CHANGE	:	LAST SIGNIFICANT TRANSACTION
BARRELS	:	N.C.	:	\$1.1275 : OFFER 06/05/97
40# BLOCKS	:	N.C.	:	\$1.1650 : OFFER 06/05/97

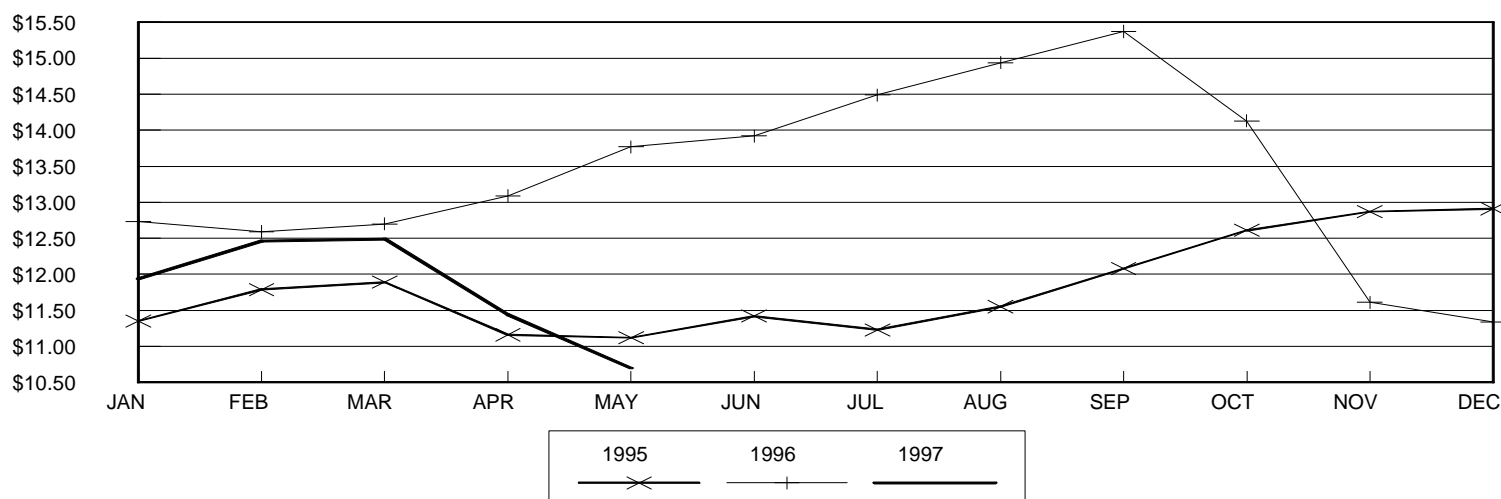
SALES: 20 CARS BARRELS: 5 @ \$1.1325, 5 @ \$1.1350, 1 @ \$1.1375, 3 @ \$1.1400, 1 @ \$1.1275, 1 @ \$1.1300, 4 @ \$1.1350, 2 CARS 40# BLOCKS: 1 @ \$1.1625, 1 @ \$1.1650

BIDS UNFILLED: NONE

OFFERS UNCOVERED: 12 CARS BARRELS: 4 @ \$1.1450, 1 @ \$1.1400, 6 @ \$1.1325, 1 @ \$1.1275 (LST), 4 CARS 40# BLOCKS: 2 @ \$1.1700, 2 @ \$1.1650 (LST)

BASIC FORMULA PRICE/M-W

PER CWT. AT 3.5% TEST



NASS DATA, GRAPH BY DAIRY MARKET NEWS

The following weighted averages and pounds from the NASS cheese survey are the figures used to determine the May 1997, 40 lb. block cheese average used in the calculation of the butter/powder/cheese formula for the May BFP:

week ending	May 23	May 16	May 9	May 2
weighted average	1.1600	1.1579	1.1583	1.1928
pounds	6,020,076	6,223,596	5,728,391	5,243,234

PRINT BUTTER MARKETS - GRADE AA

NORTHEAST

Prices are 8 cents higher and the market tone is still unsettled. The demand for bulk butter is good, but weekly cold storage figures indicate growing stocks of butter in warehouses. Contacts state that much of the demand seems to stem from a combination of speculators looking for more butter and suppliers holding stocks with more confidence. Current production levels are moderate to heavy as the demand for fluid cream increases along seasonal patterns. Retail demand for butter is just fair. Food service orders are up slightly.

WHOLESALE PRICES: MIN 25 BOXES
DOLLARS PER POUND, DELIVERED EAST COAST CITIES

1/4 LB. PRINTS	: 1.3400-1.5875
1 LB. PRINTS	: 1.2550-1.4375
CHIPS/PATTIES	: 1.3175-1.4875
REDDIES	: 1.3925-1.5875
CONTINENTALS	: 1.4725-1.6475

CENTRAL

Print butter markets remain firm as prices continue to increase. Over the past three weeks, AA prices have increased 21 cents per pound, compared to the 39 cent increase recorded during the same three weeks last year. During May and June 1996, AA butter prices increased a total of 67.5 cents. Current churning schedules remain seasonally active, although cream supplies are tighter. Stocks are sufficient for most needs with additional supplies being held for future use. Some retail feature activity (June Dairy Month) is clearing good volumes of print butter. Producers and handlers are concerned about increasing prices and what impact they might have on consumer buying patterns. At this time, demand remains good.

FOB CENTRAL STATES PLANTS: MIN 20,000 POUNDS, \$ PER POUND

1/4 LB. PRINTS	: 1.2300-1.6375
1 LB. PRINTS	: 1.1950-1.3575
CHIPS/PATTIES	: 1.2200-1.4300
REDDIES	: 1.3050-1.5400
CONTINENTALS	: 1.4600-1.6500

WEST

Butter markets continue to firm (21 cents in three weeks). Print sales are fair with bulk sales excellent. All orders are not being filled in a timely basis. Many operations with churns are again having to decide if they should continue to make butter or should they sell cream, often at a better rate of return. Cream demand is increasing quite rapidly. U.S. butter production in April totals 117.0 million pounds, up 7% from April 1996. This is the first year-to-year increase in many months. Butter production is very strong in the Western region. April output compared to last year is: California up 20%, Oregon up 31%, and Washington up 37%.

WHOLESALE SELLING PRICES: DELIVERED WESTERN CITIES
150 - 1000 POUNDS, DOLLARS PER POUND

1/4 LB. PRINTS	: 1.4150-1.4625
1 LB. PRINTS	: 1.3425-1.4050
PATTIES	: 1.3850-1.5525
REDDIES	: 1.5125-1.5300

FOB CALIFORNIA PLANTS - GRADE AA
100 CASES AND UP, DOLLARS PER POUND

1/4 LB. PRINTS	: 1.1400-1.1600
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WEEKLY COLD STORAGE HOLDINGS - SELECTED STORAGE CENTERS
IN THOUSAND POUNDS - INCLUDING GOVERNMENT STOCKS

	BUTTER	CHEESE
06/02/97	40,453	117,907
05/01/97	31,021	114,802
CHANGE	+9,432	+ 3,105
% CHANGE	+ 30	+ 3

Based on the historical relationship of the preliminary U.S. Cold Storage report of April 30 and the selected centers storage report, the expected U.S. holdings as of June 1, 1997 are:

Butter	55 million pounds plus or minus 2.63 percent
Cheese	435 million pounds plus or minus 2.83 percent

NASS CHEDDAR CHEESE PRICE SURVEY

WEEK ENDING	40# BLOCKS			640# BLOCKS		BARRELS		
	MN/WI	WEST	U.S.	U.S.	MN/WI	OTH STATES	U.S.	U.S.
MAY 30	1.1882 1,563,877	1.1448 2,113,757	1.1654 3,859,476	1.1751 1,045,625	1.1370 3,359,592	1.1209 2,253,996	1.1305 5,613,588	34.83% 34.85%

Above figures and complete table are available on the Internet at: <http://usda.mannlib.cornell.edu/reports/nassr/price/cheddar/>

CHEESE MARKETS

NORTHEAST

Prices are mixed. Some increases and decreases were noted this week. The market tone is still weak. Cheese production is increasing along seasonal patterns as milk supplies are excessive in the Northeast. Cheese makers are only taking extra milk if prices are under class, delivered. Most are no longer fortifying with skim solids. Cheddar stocks are fully adequate for current needs. More cheddar is being put into aging programs. Demand for mozzarella is slowing slightly as schools/colleges recess for the summer. June Dairy Month promotions are under way and these are helping demand. Food service orders are up slightly.

WHOLESALE SELLING PRICES: DELIVERED,
DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

Cheddar 10# Prints	:	1.1900-1.6475
Cheddar Single Daisies	:	1.1600-1.6425
Cheddar 40# Block	:	1.3025-1.4525
Process 5# Loaf	:	1.3375-1.4775
Process 5# Sliced	:	1.3575-1.5000
Muenster	:	1.3450-1.8275
Grade A Swiss Cuts 10 - 14#	:	2.2500-2.5050

MIDWEST

The cheese market is unsettled. At the Chicago Mercantile Exchange on May 29, barrels declined 1 cent to \$1.1275 and 40# blocks were unchanged. CCC has been purchasing Midwestern process cheese under the price support program at \$1.1825, as well as making market price purchases. Orders are generally improved after the slower holiday shortened week. Retail promotional activity is underway for June Dairy Month activities. Barrel supplies remain ample for some producers while others are in a better supply/demand position. Producers of cheddar blocks are more comfortable with current inventory positions due to the likelihood of price increases during the summer. Swiss cheese prices are generally lower and movement remains moderate. Mozzarella movement remains sluggish. Cheese production is increasing in more northern locations with the arrival of warmer spring weather. Further south in the region, receipts are declining due to the passage of the spring flush. Reports indicate extra sharp aged cheddar supplies are very limited. Estimated April American cheese production in selected Midwestern states is: Wisconsin 79 million pounds, down 4.1 million pounds (4.9%), Minnesota 46.1 million pounds (11.8%), and Iowa 8.4 million pounds, off 409,000 pounds (4.7%).

WISCONSIN WHOLESALE SELLING PRICES: DELIVERED,
DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

Process American 5# Loaf	:	1.4900-1.5600
Brick And/Or Muenster 5#	:	1.4900-1.6225
Cheddar 40# Block	:	1.4175-1.9150
Monterey Jack 10#	:	1.6175-1.9150
Blue 5#	:	1.7700-2.0300
Provolone 10 - 12#	:	TFEWR
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	1.5400-1.9150
Grade A Swiss Cuts 6 - 9#	:	2.2075-2.4850

WEST

Natural and Swiss prices held steady while process prices are about one cent lower. Buying interest is improving for processing solids, but remains slow for blocks, Swiss, and mozzarella. Stocks of these types of cheese remain heavy. U.S. Swiss cheese production in April totals 16.0 million pounds, down 7% from April 1996. Total cheese production for April is 598.3 million pounds, down 1% from last year. April total cheese production for selected Western States compared to last year is: California up 17%, Idaho up 10%, Oregon up fractionally, Utah down 21%, and Washington up 8%. Production in the Western region is up 11% for April while every other region in the country is negative.

WHOLESALE SELLING PRICES: DELIVERED, DOLLARS PER POUND
(1000 - 5000 POUNDS MIXED LOTS)

Process 5# Loaf	:	1.3175-1.6900
Cheddar 40# Block	:	1.3475-1.7300
Cheddar 10# Cuts	:	1.5825-1.7800
Monterey Jack 10#	:	1.5325-1.7800
Grade A Swiss Cuts 6 - 9#	:	2.3375-2.5600

FOREIGN TYPE CHEESE

Prices are unchanged and the market tone is generally steady. Imported cheese stocks are about adequate for the slow to fair retail demand. Availability of cheese from EU countries ranges from tight to adequate. Export subsidies were, at least temporarily, reinstated this week. However, with limited volumes qualified for export refunds remaining in the GATT year (ends June 30), most contacts feel that these volumes will be "booked" this week.

WHOLESALE SELLING PRICES: FOB DISTRIBUTORS DOCK
DOLLARS PER POUND (1000 - 5000 POUNDS, MIXED LOTS)

VARIETY	NEW YORK	
	IMPORTED	DOMESTIC
	:	:
Roquefort	: 5.5000-6.8900	: -0-
Blue	: 2.6400-3.1400	: 1.5000-2.0675
Gorgonzola	: 3.2400-5.9400	: 2.1225-2.4900
Parmesan (Italy)	: TFEWR	: 2.8675-2.9475
Romano (Italy)	: 2.1900-2.9000	: -0-
Provolone (Italy)	: 3.4400-5.5000	: 1.1725-1.6800
Romano (Cows Milk)	: -0-	: 2.7025-2.9075
Sardo Romano (Argentina)	: 2.6500-3.2900	: -0-
Reggianito (Argentina)	: 2.6500-3.2900	: -0-
Jarlsberg-(Brand)	: 2.7400-3.1200	: -0-
Swiss Cuts Switzerland	: -0-	: 2.2500-2.5050
Swiss Cuts Finnish	: 2.5900-2.8500	: -0-
Swiss Cuts Austrian	: 2.2500-2.7500	: -0-
Edam	:	:
2 Pound	: TFEWR	: -0-
4 Pound	: 2.1900-3.0900	: -0-
Gouda, Large	: 2.3900-3.1500	: -0-
Gouda, Baby (\$/Dozen)	:	:
10 Ounce	: 27.8000-31.7000	: -0-

* = Price change.

FLUID MILK AND CREAM

E A S T

Milk production ranges from increasing slowly in the more northern areas to lower in the Southeast. Florida's output is falling as hot weather continues, but mild weather continues in most of the Southeast and the milk flow is holding up longer than normal. Fluid milk supplies are generally long. Florida handlers were not shipping milk out of state early in the week, but as schools close this week, more surplus milk is expected. Schools in most Southeastern states have recessed or are doing so this week. In the Northeast, most schools are still in session and bottled milk demand is basically steady. Retail demand for Class I milk is expected to pick up as schools recess and home consumption improves. Manufacturing plants are operating on moderate to heavy schedules. Some Southern plants do expect a day or two of down time this week, but plants up north are running full. Some cheese plants are taking milk only if priced below Class price, delivered. The condensed skim market is weak and prices are sharply lower as availability increases and June Class II milk prices dropped more than a dollar per cwt. from May's price. Demand is fair. At current prices there is more interest, but demand is still slow from cheese makers who have been using wet solids to fortify their milk. The fluid cream market is firm. Following the third consecutive week of butter price increases at the Chicago Mercantile Exchange, the call for cream remains very good. In some cases, buyers seem even more aggressive and multiples, used to determine prices, are higher. Ice cream production is moderate to heavy, but cool weather in the urban areas of the Northeast persists and it is affecting consumption. Production of cultured, high-fat products is fairly good, but the higher prices are impacting cream purchase decisions. Churning activity is still heavy.

FLUID CREAM AND CONDENSED SKIM PRICES IN TANKLOT QUANTITIES

SPOT PRICES OF CLASS II CREAM, \$ PER LB BUTTERFAT

F.O.B. Producing Plants: Northeast	-	1.4910 - 1.5960
Delivered Equivalent Atlanta	-	1.4700 - 1.5960 M 1.5225-1.5540
F.O.B. Producing Plants: Upper Midwest	-	1.5120 - 1.5540

PRICES OF CLASS II CONDENSED SKIM, \$ PER LB WET SOLIDS

F.O.B. Producing Plants: Northeast	-	1.0300 - 1.1200
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M I D W E S T

SPOT SHIPMENTS:

	LOADS
MAY 30 - JUNE 5, 1997	0
PREVIOUS WEEK	0
COMPARABLE WEEK IN 1996	6

More schools continue to close for the summer recess, reducing Class I sales and causing more fluid to back into manufacturing channels. Other schools remain open for about another week, depending on location. Retail promotional activity is stimulating extra fluid sales in a few markets. Manufacturing plants continue to operate on extended schedules to clear fluid offerings. Manufacturing milk interest is good, but reported prices vary little (up to 25 cents) from the BFP/MCP and volumes remain high. Milk receipts have increased at most upper tier states but are drifting lower further south. Reports suggest that fairly steady volumes of milk are moving interregionally to find a manufacturing "home." Protein and fat tests are often lower, resulting in lower product yields. Cream prices are sharply higher due to higher multiples and increasing Chicago Mercantile butter prices. Fluid demand from many Class II users remains good. Demand is strong as ice cream sales have

improved with the temperature warmup. Weather remains a major factor in many parts of the Midwest. Warmer, more seasonal temperatures finally reached much of Minnesota and Wisconsin, but cool, often rainy weather prevailed over Michigan and Ohio. Where warmer temperatures occurred, grass and hay growth was stimulated and crop emergence improved. Many areas remain very dry. Reportedly, some parts of Ohio and Michigan are extremely wet and some fields may need replanting. Some farmers cut and harvested alfalfa, but yields are generally below average. When not rained on, the quality of the feed (minus the weeds) is excellent, since maturity has lagged, often by 1 - 2 weeks.

WISCONSIN LIVESTOCK AUCTIONS (PER CWT.)

	MAY 29-JUNE 4	PREVIOUS YEAR
SLAUGHTER COWS	\$ 35.00- 39.50	\$ 31.00- 37.00
REPLACEMENT HEIFER CALVES	\$ 70.00-135.00	\$100.00-145.00

SOUTH ST. PAUL TERMINAL AUCTION MARKET (PER CWT.)

	MAY 29-JUNE 4	PREVIOUS YEAR
SLAUGHTER COWS	\$ 36.00- 41.50	\$ 30.00- 34.00

W E S T

The May California 4a (butter/powder) price is \$11.49, down 70 cents from last month and down 2 cents from May 1996. The 4b (cheese) price is \$9.79, down 86 cents from April 1997 and down \$3.28 from last year. The U.S. "all milk" price for May is \$13.10 at a fat test of 3.60%. All milk prices for selected Western states are as follows: Arizona \$12.50 at 3.52%, California \$12.20 at 3.54%, Colorado \$12.50 at 3.58%, Idaho \$11.50 at 3.51%, New Mexico \$12.90 at 3.42%, Oregon \$12.90 at 3.60%, Utah at \$12.70 at 3.54%, and Washington \$12.80 at 3.58%. Production patterns continue to follow recent weeks' trends in the Southwest. Declines are common as the weather remains hot and milk cows' output is reduced. Plant intakes are dropping with no problems processing milk reported. Light rains and moderating temperatures in California help to keep production at or near peak levels. Plant processing capacity is often being stretched, but producers continue to be able to handle the milk. Sales of cream remain good to both ice cream and butter accounts. Multiples in the 130 to 135 range are common with some higher. Recent butter price increases have, in turn, pulled up cream prices, but the increases have not hurt demand for cream. In fact, cream continues to ship out of the region. Milk production continues to increase seasonally in the Pacific Northwest. Manufacturing plants are able to handle offerings in an efficient manner. Weather conditions are relatively cool and wet for this time of year. The rain is causing quality problems to increase on the harvest of first cutting hay. Much of the hay has been rained on or cutting is being delayed to attempt to get through this rainy period, but this means that the hay is past the optimum cutting stage and is too mature for maximum feed value. Financial stress remains a concern for many producers. Milk output continues to increase in the northern Mountain States region. Conditions are cooler and rain showers are common. Rain is complicating forage harvesting in this region also, but not to the extent that it has in Washington and Oregon. Manufacturing plants continue to run on very heavy schedules. Many churns in the region are having to decide if they should sell cream or continue to churn to meet normal butter commitments.

CENTRAL AND WEST DRY MILK PRODUCTS

All reports, except California manufacturing plants, were released 06/05/97 and represent FOB Central and Western production areas. Prices represent CL/TL quantities in 50 lb., 100 lb., or 25 kg. bags, spray process, dollars per pound.

NONFAT DRY MILK - CENTRAL

Central prices are lower on the top end of the range, but most producers' prices are being held steady. Buying interest is fair at best. Lower June Class II prices are increasing usage of condensed skim instead of NDM in several applications. Production remains at high levels at many plant locations to process steady to increasing milk output. Stocks run from light to heavy levels and are in excess of current needs. U.S. production of human food NDM during April totaled 120.3 million pounds, 3% more than last year and 10% higher than last month. (Combined MN and WI production during April totaled 3,850,000 pounds.) Manufacturers' stocks at the end of April totaled 118.5 million pounds, 18% higher than last year and 46% more than last month.

Includes EXTRA GRADE and GRADE A, all heat treatments

NONFAT DRY MILK: 1.0600 - 1.1000 MOSTLY: 1.0700 - 1.0800

DRY BUTTERMILK - CENTRAL

Buttermilk prices are lower on the top end of the range in light trading. The market tone remains weak. Buyer interest is limited and offerings from resellers and other regions continue to provide often lower priced alternatives. Production is seasonally active and several contacts have more loads than they anticipated. Stocks are light to moderate but in excess of current needs. During April, dry buttermilk production totaled 4.8 million pounds, up 4% from last year and 9% higher than March. End-of-month stocks totaled 3.6 million pounds, up 9% from last year and 21% more than last month.

BUTTERMILK: 1.0400 - 1.1500

DRY WHEY - CENTRAL

Prices continue to trend slightly higher as producers' offerings are more limited and asking prices increased. The market tone remains steady to firm. Buying interest was a little lower this week, but demand is clearing current offerings. Buyers and sellers are mixed on the degree of the market direction. With production levels at seasonally high levels and export demand light, numerous contacts are expressing that whey is either being held in inventory by producers or has been transferred to resellers' or end users' hands. The latter two could cut off demand during later periods. Producers are optimistic and state that their production and stocks are in good shape. U.S. production of human food whey during April totaled 87.1 million pounds, 7% lower than last year and 5% less than last month. End-of-April stocks, at 27.9 million pounds, are 33% less than last year and 15% below March.

NONHYGROSCOPIC: .1775 - .1925 MOSTLY: .1775 - .1825

ANIMAL FEED WHEY - CENTRAL

Prices are slightly higher for milk replacer and roller ground whey. Delactose prices are unchanged and demand has improved. All prices are nominal. Standard prices are too few to report. No trades were reported this week following several weeks of limited sales information. April U.S. animal feed, dry whey production totaled 5.7 million pounds, 1% more than last year and 8% higher than March. Month-ending stocks were 5.7 million pounds, 32% more than last year and 37% higher than last month. Animal feed, reduced lactose and minerals whey production during April totaled 2.5 million pounds, 11% more than last year; while all stocks (animal and human), at 12.4 million pounds, were 42% higher than last year.

MILK REPLACER: 1.1500 - 1.1725
STANDARD: TFEWR
ROLLER GROUND: .1800 - .1925
DELACTOSE (Min. 20% protein): .3200 - .3500

LACTOSE - CENTRAL AND WEST

Lactose prices are unchanged, but the market remains unsettled. Mixed signals abound. Spot sales remain weak and spot prices are being discounted by several producers and resellers to keep product current. Contract sales remain good and are at the high end of the current range and mostly. Production remains seasonally strong. U.S. lactose production during April totaled 35.4 million pounds, up 15% from last year and 1% higher than March. End-of-April stocks, at 19.9 million pounds, are 13% higher than last year and 2% more than last month.

Including spot sales and up to 3 month contracts. Mesh size 30 - 100.

EDIBLE: .2300 - .2900 MOSTLY: .2450 - .2700

WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST

WPC prices are fractionally higher. The market tone is steady to slightly firmer. Offerings are not as plentiful as in recent weeks and demand is slightly improved. Some buyers are not finding many offerings. Several end users (food and feed accounts) are commenting they have more than needed. U.S. production of human food WPC during April totaled 23.3 million pounds, a 1% increase from last year but 3% lower than last month. Manufacturers' stocks at the end of April totaled 8.8 million pounds, 12% less than last year and unchanged from March.

EXTRA GRADE 34% PROTEIN: .5500 - .5900 MOSTLY: .5700 - .5750

NONFAT DRY MILK - WEST

Nonfat dry milk prices are unchanged, but the general market tone continues weak. Western producers offered 118,938 pounds of NDM to the CCC at support levels last week and more offerings continued this week. DEIP orders continue to be filled and are helping to keep some producers from offering to CCC. Domestic orders are light to fair and not always keeping pace with production. Demand from cheese accounts in other regions remains flat and has often been cut back. Drying schedules are seasonally high. U.S. NDM production in April totaled 120.3 million pounds, up 3% from last year and up 10% from March. Stocks at the end of the month were reported at 118.5 million pounds, up 18% from last year and 46% higher than last month. April production in California totaled 46.7 million pounds, up 22% and Washington output totaled 15.2 million pounds, down 5% from a year ago.

Includes EXTRA GRADE and GRADE A

LOW/MEDIUM HEAT: 1.0350 - 1.0700 MOSTLY: 1.0400 - 1.0500
HIGH HEAT: 1.0600 - 1.1100

DRY BUTTERMILK - WEST

Prices were unchanged on the range, but the mostly prices declined as producers lowered prices to keep product moving. The undertone remains weak, but some contacts state that the demand from ice cream producers should increase as cream prices continue to climb higher. Buttermilk is offered by many plants and the resale market has numerous offers. U.S. buttermilk powder production in April totaled 4.8 million pounds, up 4% from last year and up 9% from March. Stocks at the end of the month were reported at 3.6 million pounds, up 9% from a year earlier and up 21% from March.

BUTTERMILK: 1.0300 - 1.1150 MOSTLY: 1.0500 - 1.0700

DRY WHEY - WEST

Prices remain steady for Western whey powder. Domestic sales are steady at fair levels. Export interest is lackluster. More concern is being expressed about the competition from European whey exporters capturing sales, primarily in the Far Eastern markets. Contacts are wondering if this is a change in long run strategy versus a short run inventory clearing move. April total dry whey production in the U.S. stands at 92.9 million pounds, down 7% from last year. Output for the first four months of the year is down 5% from the same period in 1996.

NONHYGROSCOPIC: .1900 - .2025 MOSTLY: .1900 - .1950

CALIFORNIA MANUFACTURING PLANTS

The weighted average price for Extra Grade and Grade A Nonfat Dry Milk for the seven day period ended May 30, on powder sales of 8,495,668 pounds f.o.b. California manufacturing plants was \$1.0615 per pound. This compares to 10,607,265 pounds at \$1.0591 for the previous week ending May 23, 1997. Prices for both periods were influenced by the effect of long-term contract sales. Compiled by the Dairy Marketing Branch, California Department of Food and Agriculture.

NORTHEAST, SOUTHEAST, AND NATIONAL MILK PRODUCTS

All reports represent carlot/trucklot quantities in 50 lb., 100 lb., or 25 kg. bags, spray process, dollars per pound, unless otherwise specified. Delivered Southeast is delivered equivalent Atlanta.

NONFAT DRY MILK - NORTHEAST AND SOUTHEAST

Prices are steady to lower and the market tone is weaker. Production is heavy as fluid milk supplies are near the peak in the Northeast and easing slightly lower, but still heavy in the Southeast. Powder stocks are heavy and some producers are offering attractively priced, large-volume deals to get powder out of their warehouses. Some other plants expect to need the powder during the late summer months and are not as aggressively trying to move it. Demand is slow to fair. Production of human food, nonfat dry milk during April 1997 totaled 120.3 million pounds, up 3% from April 1996 and 10% more than March 1997. Month ending stocks, at 118.5 million pounds, are 18% above a year ago and 46% more than last month.

Includes EXTRA GRADE and GRADE A, all heat treatments

F.O.B. NORTHEAST:	1.0600 - 1.1700
DELVD SOUTHEAST:	1.0725 - 1.1200

DRY BUTTERMILK - NORTHEAST AND SOUTHEAST

Prices are steady to lower and the market tone is not as firm as it has been. There are more instances of lower prices and increased offerings. Production levels are moderate and plant stocks are light and, in some instances, growing. Demand is less aggressive and buyers are a little more selective as offerings increase. Dry buttermilk production during April 1997 totaled 4.8 million pounds, up 4% from April 1996 and 9% more than March 1997. Month ending stocks, at 3.6 million pounds, are 9% more than a year ago and 21% more than last month.

F.O.B. NORTHEAST:	1.0700 - 1.1100
DELVD SOUTHEAST:	1.0900 - 1.1300

DRY WHOLE MILK - NATIONAL

Prices are unchanged to higher due to the higher values for butterfat. Producers are waiting for the announcement of the May BFP before deciding what to do about powder prices. Production is steady to slightly higher, but plant stocks are still closely balanced. Spot demand is slow. Most deliveries/shipments are to fill contracts. Dry whole milk production during April 1997 totaled 6.6 million pounds, down 49% from April 1996 and 32% less than March 1997. Month ending stocks, at 6.6 million pounds, are 58% below a year ago and 27% less than last month.

F.O.B. PRODUCING PLANT:	1.1600 - 1.2525
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DEIP BID ACCEPTANCE SUMMARY

JULY 1, 1996 THROUGH MAY 30, 1997
WITH CHANGES FROM PREVIOUS REPORT

NONFAT DRY MILK	--	56,689	MT (124,976,569 LBS)
CHANGE	--	1,459	MT (3,216,511 LBS)
WHOLE MILK POWDER	--	1,789	MT (3,944,029 LBS)
CHEESE	--	2,781	MT (6,130,993 LBS)
CHANGE	--	57	MT (125,662 LBS)
BUTTERFAT	--	4,577	MT (10,090,454 LBS)
CHANGE	--	21	MT (46,297 LBS)

DRY WHEY - NORTHEAST AND SOUTHEAST

Prices are steady to fractionally higher. The market tone is somewhat mixed. Reports, from contacts, state that producers are often asking for higher premiums, but demand doesn't seem strong enough to force prices much above current levels. Production levels are moderate to heavy. Plant stocks range from light to adequate. Spot demand is slow to fair. Export interest is holding up quite well despite all the reported competition from European producers. Production of human food, dry whey during April totaled 87.1 million pounds, 7% less than April 1996 and down 5% from March 1997. Month ending stocks, at 27.9 million pounds, are 33% below a year ago and 15% less than last month.

F.O.B. NORTHEAST:	EXTRA GRADE	.1775 - .1825
	USPH GRADE A	.1800 - .1850
DELVD SOUTHEAST:		.1900 - .2150

ANIMAL FEED WHEY - NORTHEAST

Prices are fractionally higher and nominal. Offerings are increasing at some plants; still light at others. Demand is slow to fair, but rising prices are attracting a little more interest. Production of animal feed, dry whey during April totaled 5.7 million pounds, 1% more than last April and 8% above March 1997.

F.O.B. NORTHEAST:	MILK REPLACER	.1650 - .1700
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EVAPORATED MILK - NATIONAL

Prices and the market tone are unchanged. Producers are waiting for the announcement of the May BFP which could affect prices of sales incentives/allowances in the coming weeks. Production levels range from moderate to heavy. Demand is steady. The Kansas City Commodity office announced the purchase of 2,607,120 pounds of canned evaporated milk under EVD-1, invitation 330 at prices ranging \$.5273 - .5623 per pound for delivery in July 1997. Canned evaporated milk production during April 1997 totaled 42.8 million pounds, up 20% from April 1996 and 2% more than March 1997. Month ending stocks, at 27.2 million pounds, are 46% less than a year ago but 6% more than last month.

DOLLARS PER 48 - 12 FLUID OUNCE CANS PER CASE DELIVERED MAJOR U.S. CITIES
\$22.50 - 33.00
Excluding promotional and other sales allowances. Included new price announcements.

CASEIN - NATIONAL

Casein markets are generally steady, although prices are adjusting slightly lower within the ranges. Indications are surfacing that 3rd quarter price quotation may be lower. Offerings of both acid and rennet are available from most sources. Demand is fair with most activity centering around contracted volumes.

SPOT SALES AND UP TO 3 MONTH CONTRACTS. PRICES ARE FOR EIBLE NONRESTRICTED AND VARY ACCORDING TO MESH SIZE AND QUALITY.

RENNET:	2.2000 - 2.4100
ACID:	2.0000 - 2.2000

COFFEE, SUGAR, & COCOA EXCHANGE AND CHICAGO MERCANTILE EXCHANGE FUTURES

Selected settling prices, (open interest), and volume 1/

Month	05/22	05/23	05/26	05/27	05/28	05/29	05/30	06/02	06/03	06/04
CSCE CHEDDAR CHEESE -- Cents per pound										
JUN 97	117.30 (15) 0	117.80 (15) 0	NO TRADING	118.80 (17) 2	118.30 (17) 0	118.30 (15) 0	118.30 (15) 0	117.50 (15) 0	117.30 (15) 0	117.30 (14) 1
AUG 97	130.50 (8) 0	131.00 (8) 0		130.80 (8) 0	130.00 (8) 0	130.50 (18)10	130.50 (18) 0	132.50 (18) 0	132.50 (18) 0	131.50 (18) 0
OCT 97	134.00 (0) 0	135.00 (0) 2		134.50 (2) 0	135.00 (2) 0	136.00 (4) 2	137.00 (4) 0	139.00 (4) 0	137.00 (4) 0	136.00 (4) 0
CSCE - NONFAT DRY MILK -- Cents per pound										
JUN 97	104.80 (24) 0	104.80 (24) 0	NO TRADING	104.80 (24) 0	106.50 (24) 0	106.00 (24) 0	104.10 (24) 0	104.10 (32) 8	104.10 (28) 4	105.40 (24) 0
AUG 97	107.00 (57) 0	107.00 (57) 0		107.00 (57) 0	108.80 (57) 0	108.30 (57) 0	107.00 (57) 0	107.00 (57) 0	107.00 (57) 0	108.30 (57) 0
CSCE - FLUID MILK -- Dollars per cwt.										
JUN 97	11.75 (25) 2	11.75 (25) 1	NO TRADING	11.75 (25) 0	11.75 (25) 0	11.75 (25) 0	11.75 (25) 0	11.90 (25) 0	11.94 (25) 0	11.93 (25) 1
AUG 97	14.00 (35) 0	14.00 (35) 1		14.05 (35) 0	14.20 (35) 0	14.40 (35) 0	14.58 (35) 0	14.50 (35) 0	14.00 (35) 0	13.85 (35) 0
OCT 97	14.50 (11) 1	14.50 (11) 0		14.55 (11) 0	14.70 (11) 0	14.70 (11) 0	14.80 (11) 0	14.50 (11) 0	14.00 (11) 0	14.00 (11) 0
CSCE - BUTTER - Cents per lb.										
JUN 97	102.20 (43) 0	108.50 (39) 8	NO TRADING	111.30 (35) 5	109.30 (35) 0	111.50 (34) 1	109.00 (34) 0	108.00 (26) 12	108.50 (19) 7	107.00 (19) 0
AUG 97	109.70 (113)0	112.50 (119)10		115.30 (136)27	115.50 (140)11	116.30 (138) 0	114.00 (138) 9	113.00 (146)20	113.00 (149)12	111.00 (153)6
OCT 97	113.20 (13) 0	114.10 (13) 0		116.90 (13) 0	117.10 (13) 0	117.90 (13) 0	115.60 (13) 0	114.60 (13) 0	114.60 (13) 0	116.00 (13) 0
CSCE - BFP -- Dollars per cwt.										
JUN 97	11.23 (182)32	11.10 (169)12	NO TRADING	11.14 (167) 4	11.17 (170) 6	11.18 (165) 6	11.17 (164) 0	11.15 (164) 0	11.10 (164) 2	11.06 (162) 0
AUG 97	12.50 (205)13	12.45 (204)1		12.60 (202)0	12.58 (202)64	12.63 (276) 15	12.63 (279) 3	12.57 (292)14	12.53 (292) 2	12.40 (294)2
OCT 97	12.81 (148)12	12.82 (157)9		12.88 (157)0	12.90 (217)66	12.93 (215) 0	12.93 (226) 9	12.88 (240)14	12.75 (238) 0	12.53 (238)0
CME - BUTTER -- Cents per pound										
JUN 97	104.50 (34) 0	107.75 (34) 0	NO TRADING	110.25 (42) 9	111.75 (42) 0	114.25 (42) 0	114.50 (42) 2	113.50 (40) 12	113.00 (40) 0	110.625 (40) 0
JLY 97	107.50 (167)0	110.00 (167)2		112.50 (171)5	115.00 (169)15	117.50 (168) 4	117.00 (170) 5	115.50 (172)23	114.50 (167)14	112.00 (166) 9
SEP 97	113.00 (66) 1	117.25 (66) 0		119.75 (71) 6	121.50 (74) 11	122.75 (73) 17	120.75 (76) 16	118.50 (74) 12	118.25 (76) 20	116.25 (76) 4

1/ Open interest for NDM and cheddar -- 4 contracts equal 40,000 pounds. Open interest for fluid milk (at both exchanges) -- 1 contract equals 50,000 pounds. For more detailed information, you may call our automated voice system at 608-224-5088 or the CSCE's Soft Fax at 212-742-6111.

INTERNATIONAL DAIRY MARKET NEWS

Information gathered May 26 - June 6, 1997

Prices are U.S. Dollars per MT, F.O.B. port. Information gathered for this report is from trades, offers to sell, and secondary data. This bi-weekly report may not always contain the same products and/or regions. Future reports may be included or withdrawn depending on availability of information. MT = metric ton = 2,204.6 pounds.

WESTERN AND EASTERN EUROPE

OVERVIEW - WESTERN EUROPE: Milk production continues to increase seasonally throughout most of Europe, although declines are being reported in Ireland and the UK. In Ireland and the UK, production has passed its peak, but is later than past years. As of June 1, this region of Europe has opened intervention for butter. A strong US dollar continues to pressure European prices. Dairy trading is not overly active at this time. The most activity in continental Europe centers around producers and handlers replenishing inventories. Strong demand for manufactured dairy products, especially butter, during the past year has lowered stocks below desired levels. As milk production builds throughout Europe and international demand remains light, stocks are slowly building. Although intervention is a means of clearing stocks, many handlers do not anticipate this public storage option to be widely used this year and most surplus stocks will be held privately.

BUTTER/BUTTEROIL: Butter markets are steady to firm. Private stock levels are lower than desired due to the strong demand for butter during the past year. Looking at private storage levels as of May 31, current stocks are only 1/3 the level they were last year at this time. Due to lighter inventory levels, butter handlers are pleased that international trade is not overly aggressive at this time. Many handlers are out of the market for a while, giving them a chance to re-establish a comfortable inventory level prior to increased buyer interest.

82% BUTTERFAT:	1,600 - 1,850
99% BUTTERFAT:	1,850 - 1,900

SKIM MILK POWDER (SMP): Skim powder markets and prices are generally steady, although the market undertone is firm. Drying schedules are increasing as seasonal milk production builds. Stocks of powder are building slowly. Current buyer interest is light. European producers are fully aware of current U.S. SMP sales into the international market and are not overly concerned. Many feel that U.S. involvement will be short lived thus European stocks will be marketable in a month or so. Most producers and handlers will then have adequate volumes of powder and willing to fill inquiries.

1.25% BUTTERFAT:	1,700 - 1,750
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WHOLE MILK POWDER (WMP): Whole milk powder markets are generally steady, although prices are steady to slightly lower. Production throughout most areas of Europe is heavier as milk volumes increase. Stocks of whole milk powder are building as are export opportunities. No significant sales have developed as of yet, although inquiries are becoming more frequent.

26% BUTTERFAT:	1,695 - 1,900
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SWEET WHEY POWDER: Whey markets are generally steady at unchanged prices. As milk production seasonally increases in Eastern and Western Europe, so does cheese, thus whey. Stocks of whey are building. Trading activity on whey is quite active as European traders fill Far Eastern orders. At the current time, Europe is more aggressive than the United States in marketing whey to the Far East.

NONHYGROSCOPIC:	400 - 520
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OVERVIEW - EASTERN EUROPE: Spring has arrived and weather conditions in Eastern Europe are conducive to steady milk production growth. As in other areas of Europe and basically internationally, trading activity is quiet. Stocks of manufactured dairy products are building. Often, producers and handlers are not concerned about inventories becoming too heavy due to the limited volumes that were carried over from last season.

OCEANIA

OVERVIEW: The milk production season within the Oceania region has now basically come to a close. Cows in New Zealand and Australia continue to be dried off, but generally the production season has ended. Milk handlers in both countries continue to report positive milk production totals for the season just ended. In Australia, lack of moisture in the major milk producing region of Victoria possibly held production growth to about 3 - 4% over last year. In New Zealand, conditions were quite favorable and the 10 - 12% increase previously reported still stands. Trading activity out of the region remains steady for contractual commitments with limited spot activity at this time. Stocks of dairy products are sufficient for previous agreements, but not that readily available for new spot interest. Recent sales of SMP from the United States into the international market totaling 14,590MT (32 million pounds) are also limiting spot buyer interest from the Oceania region. Nearly 9,500MT of this was destined for Asia and the Former Soviet Union.

BUTTER: Butter markets are generally steady, although prices are unchanged to slightly lower. As with other Oceania manufactured dairy products, stocks of butter above and beyond contractual needs are in close balance to limited. Stocks will remain light until production resumes in August or September. Outside of contractual commitments, buying interest is limited.

82% BUTTERFAT:	1,325 - 1,400
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CHEDDAR CHEESE: Cheese markets are much the same as they have been over the past few weeks. Trading activity continues to center around previous commitments. Stock levels are sufficient for current contractual needs with additional uncommitted stocks ranging from in close balance to limited for new spot buyer interest.

39% MAXIMUM MOISTURE:	2,100 - 2,150
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SKIM MILK POWDER (SMP): Skim powder markets are much the same as they have been in the past weeks. The milk production season has come to a close, thus no new powder is becoming available. Stocks are sufficient for previous commitments, but in close balance to limited for spot activity. Recent exports of SMP out of the United States to potential Oceania customers are also limiting spot buyer interest.

1.25% BUTTERFAT:	1,700 - 1,725
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WHOLE MILK POWDER (WMP): Whole milk powder markets are generally steady, although prices are slightly lower. Stocks of powder are in balance for previously arranged commitments with minimal amounts available for spot interest. Although trading activity is light, some buyer inquiries from Central America surfaced with some Oceania traders considering the transaction.

26% BUTTERFAT:	1,700 - 1,750
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Exchange rates for selected foreign currencies: June 2, 1997

.5139 Dutch Guilder	.5779 German Mark
.1713 French Franc	.6889 New Zealand Dollar
.1264 Mexican Peso	.7570 Australian Dollar
1.6357 British Pound	.0086 Japanese Yen
.3103 Polish Zloty	

To compare the value of 1 US Dollar to Mexican Pesos: $(1/.1264) = 7.9113$. That is 1 US Dollar equals 7.9113 Mexican Pesos.

Source: Wall Street Journal

MONTHLY SUMMARY AND AVERAGES FOR MAY 1997 1/ - (UNLESS OTHERWISE NOTED, PRICES ARE DOLLARS PER POUND, CL/TL)

COMMODITY	:::REPORT NUMBER 18	:::REPORT NUMBER 19	:::REPORT NUMBER 20	:::REPORT NUMBER 21	:::REPORT NUMBER 22:::	1997	: 1996
	::: MAY 01 - 02	::: MAY 05 - 09	::: MAY 12 - 16	::: MAY 19 - 23	::: MAY 26 - 30	::: Average	: Average
	::: or Total	::: or Total	::: or Total	::: or Total	::: or Total		
BUTTER							
CHICAGO (WSP) 2/ (Delivered in Bulk in Fiber Boxes) (Prices Issued Tues, Thurs and Fri)							
TUESDAY							
-- Grade AA	:: -	:: 0.9200 - 0.9300	:: 0.9200 - 0.9300	:: 0.9300 - 0.9400	:: 1.0500 - 1.0600	::	:
-- Grade A	:: -	:: 0.8100 - 0.8200	:: 0.8100 - 0.8200	:: 0.8550 - 0.8650	:: 0.9800 - 0.9900	::	:
THURSDAY							
-- Grade AA	:: 0.9200 - 0.9300	:: 0.9200 - 0.9300	:: 0.9200 - 0.9300	:: 0.9300 - 0.9400	:: 1.0500 - 1.0600	::	:
-- Grade A	:: 0.8100 - 0.8200	:: 0.8100 - 0.8200	:: 0.8100 - 0.8200	:: 0.8550 - 0.8650	:: 0.9800 - 0.9900	::	:
FRIDAY							
-- Grade AA	:: 0.9200 - 0.9300	:: 0.9200 - 0.9300	:: 0.9200 - 0.9300	:: 0.9300 - 0.9400	:: 1.0500 - 1.0600	:: 0.9550	: 0.9350
-- Grade A	:: 0.8100 - 0.8200	:: 0.8100 - 0.8200	:: 0.8100 - 0.8200	:: 0.8550 - 0.8650	:: 0.9800 - 0.9900	:: 0.8611	: 0.8779
CHICAGO MERCANTILE EXCHANGE 3/							
-- Grade AA	:: 0.9200	:: 0.9200	:: 0.9300	:: 1.0500	:: 1.1300	:: 0.9652	: 0.9490
-- Grade A	:: 0.8100	:: 0.8100	:: 0.8550	:: 0.9800	:: 1.0500	:: 0.8740	: 0.8916
-- Grade B	:: 0.7800	:: 0.7800	:: 0.8500	:: 0.9800	:: 1.0500	:: 0.8584	: 0.8865
CENTRAL STATES PRINT (f.o.b. LTL)							
-- Grade AA, 1/4 Lb. Prints	:: 1.0200 - 1.4275	:: 1.0200 - 1.4275	:: 1.0200 - 1.4275	:: 1.0300 - 1.4375	:: 1.1500 - 1.5575	:: 1.2509	: 1.2226
-- Grade AA, 1 Lb. Prints	:: 0.9850 - 1.1475	:: 0.9850 - 1.1475	:: 0.9850 - 1.1475	:: 0.9950 - 1.1575	:: 1.1150 - 1.2775	:: 1.0934	: 1.0701
-- Grade AA, Chips/Patties	:: 1.0100 - 1.2200	:: 1.0100 - 1.2200	:: 1.0100 - 1.2200	:: 1.0200 - 1.2300	:: 1.1400 - 1.3500	:: 1.1421	: 1.1189
-- Grade AA, Reddies	:: 1.0925 - 1.3300	:: 1.0925 - 1.3300	:: 1.0925 - 1.3300	:: 1.1050 - 1.3400	:: 1.2250 - 1.4600	:: 1.2389	: 1.2151
-- Grade AA, Continentals	:: 1.2500 - 1.4400	:: 1.2500 - 1.4400	:: 1.2500 - 1.4400	:: 1.2600 - 1.4500	:: 1.3800 - 1.5700	:: 1.3721	: 1.3489
NORTHEAST PRINT (Delivered, LTL)							
-- Grade AA, 1/4 Lb. Prints	:: 1.1300 - 1.3775	:: 1.1300 - 1.3775	:: 1.1300 - 1.3775	:: 1.1400 - 1.3875	:: 1.2600 - 1.5075	:: 1.2809	: 1.2132
-- Grade AA, 1 Lb. Prints	:: 1.0450 - 1.2275	:: 1.0450 - 1.2275	:: 1.0450 - 1.2275	:: 1.0550 - 1.2375	:: 1.1750 - 1.3575	:: 1.1634	: 1.1510
-- Grade AA, Chips/Patties	:: 1.1075 - 1.2775	:: 1.1075 - 1.2775	:: 1.1075 - 1.2775	:: 1.1175 - 1.2875	:: 1.2375 - 1.4075	:: 1.2196	: 1.1698
-- Grade AA, Reddies	:: 1.1825 - 1.3775	:: 1.1825 - 1.3775	:: 1.1825 - 1.3775	:: 1.1925 - 1.3875	:: 1.3125 - 1.5075	:: 1.3071	: 1.2682
-- Grade AA, Continentals	:: 1.2625 - 1.4375	:: 1.2625 - 1.4375	:: 1.2625 - 1.4375	:: 1.2725 - 1.4475	:: 1.3925 - 1.5675	:: 1.3771	: 1.3598
CALIFORNIA PRINT (Delivered, LTL)							
-- Grade AA, 1/4 Lb. Prints	:: 1.2050 - 1.2525	:: 1.2050 - 1.2525	:: 1.2050 - 1.2525	:: 1.2150 - 1.2650	:: 1.3350 - 1.3825	:: 1.2562	: 1.2789
-- Grade AA, 1 Lb. Prints	:: 1.1225 - 1.1950	:: 1.1225 - 1.1950	:: 1.1225 - 1.1950	:: 1.1325 - 1.2050	:: 1.2525 - 1.3250	:: 1.1859	: 1.1651
-- Grade AA, Patties	:: 1.1750 - 1.3425	:: 1.1750 - 1.3425	:: 1.1750 - 1.3425	:: 1.1850 - 1.3525	:: 1.3050 - 1.4725	:: 1.2859	: 1.2726
-- Grade AA, Reddies	:: 1.3025 - 1.3225	:: 1.3025 - 1.3225	:: 1.3025 - 1.3225	:: 1.3125 - 1.3300	:: 1.4325 - 1.4500	:: 1.3391	: 1.3651
CALIFORNIA PLANTS PRINT (f.o.b. LTL)							
-- Grade AA, 1/4 Lb. Prints	:: 0.9100 - 0.9500	:: 0.9100 - 0.9500	:: 0.9100 - 0.9500	:: 0.9300 - 0.9600	:: 1.0500 - 1.0800	:: 0.9593	: 0.9539
CHEESE							
CHICAGO MERCANTILE EXCHANGE 3/							
-- Barrels	:: 1.1500	:: 1.1500	:: 1.1375	:: 1.1375	:: 1.1275	:: 1.1422	: 1.4475
-- 40# Blocks	:: 1.1500	:: 1.1525	:: 1.1650	:: 1.1650	:: 1.1650	:: 1.1588	: 1.4925
WISCONSIN ASSEMBLY POINTS (f.o.b.)							
-- Cheddar Barrels	:: 1.1500 - 1.1750	:: 1.1300 - 1.1550	:: 1.1300 - 1.1600	:: 1.1275 - 1.1475	:: 1.1275 - 1.1525	:: 1.1433	: 1.4616
-- Cheddar 40# Blocks	:: 1.1600 - 1.2000	:: 1.1300 - 1.1550	:: 1.1525 - 1.1725	:: 1.1650 - 1.1850	:: 1.1650 - 1.1850	:: 1.1648	: 1.5175
WISCONSIN (WSP, Delivered, LTL)							
-- Process American 5# Loaf	:: 1.5175 - 1.6225	:: 1.5025 - 1.6225	:: 1.5025 - 1.6225	:: 1.4950 - 1.6225	:: 1.4950 - 1.6225	:: 1.5616	: 1.6850
-- Brick And/Or Muenster 5#	:: 1.5400 - 1.6375	:: 1.5400 - 1.6075	:: 1.4900 - 1.6100	:: 1.4900 - 1.6225	:: 1.4900 - 1.6225	:: 1.5620	: 1.8538
-- Cheddar 40# Block	:: 1.4325 - 1.9150	:: 1.4025 - 1.9150	:: 1.4050 - 1.9150	:: 1.4175 - 1.9150	:: 1.4175 - 1.9150	:: 1.6637	: 1.7622
-- Monterey Jack 10#	:: 1.6325 - 1.9150	:: 1.6025 - 1.9150	:: 1.6050 - 1.9150	:: 1.6175 - 1.9150	:: 1.6175 - 1.9150	:: 1.7637	: 1.8622
-- Blue 5#	:: 1.7850 - 2.0800	:: 1.7550 - 2.0800	:: 1.7575 - 2.0300	:: 1.7700 - 2.0300	:: 1.7700 - 2.0300	:: 1.9058	: 2.2150
-- Provolone 10 - 12#	:: TFEWR	:: TFEWR	:: TFEWR	:: TFEWR	:: TFEWR	:: TFEWR	: 1.9350
-- Mozzarella 5 - 6#	:: 1.5550 - 1.9150	:: 1.5250 - 1.9150	:: 1.5275 - 1.9150	:: 1.5400 - 1.9150	:: 1.5400 - 1.9150	:: 1.7249	: 1.8184
-- Grade A Swiss Cuts 6 - 9#	:: 2.2075 - 2.4850	:: 2.2075 - 2.4850	:: 2.2075 - 2.4850	:: 2.2075 - 2.4850	:: 2.2075 - 2.4850	:: 2.3463	: 2.2338
NORTHEAST (WSP, Delivered, LTL)							
-- Cheddar 10# Prints	:: 1.2700 - 1.6625	:: 1.2700 - 1.6325	:: 1.2700 - 1.6350	:: 1.2700 - 1.6475	:: 1.2700 - 1.6475	:: 1.4562	: 1.7700
-- Cheddar Single Daisies	:: 1.2400 - 1.6575	:: 1.2400 - 1.6275	:: 1.2400 - 1.6300	:: 1.2400 - 1.6425	:: 1.2400 - 1.6425	:: 1.4387	: 1.7525
-- Cheddar 40# Block	:: 1.3175 - 1.4675	:: 1.2875 - 1.4375	:: 1.2900 - 1.4400	:: 1.3025 - 1.4525	:: 1.3025 - 1.4525	:: 1.3724	: 1.7050
-- Process 5# Loaf	:: 1.3800 - 1.5200	:: 1.3600 - 1.5000	:: 1.3600 - 1.5000	:: 1.3475 - 1.4875	:: 1.3475 - 1.4875	:: 1.4265	: 1.7188
-- Process 5# Sliced	:: 1.4000 - 1.5425	:: 1.3800 - 1.5225	:: 1.3800 - 1.5225	:: 1.3675 - 1.5100	:: 1.3675 - 1.5100	:: 1.4478	: 1.7438
-- Muenster	:: 1.3600 - 1.8275	:: 1.3300 - 1.8275	:: 1.3325 - 1.8275	:: 1.3450 - 1.8275	:: 1.3450 - 1.8275	:: 1.5837	: 1.8225
-- Grade A Swiss Cuts 10 - 14#	:: 2.2500 - 2.5050	:: 2.2500 - 2.5050	:: 2.2500 - 2.5050	:: 2.2500 - 2.5050	:: 2.2500 - 2.5050	:: 2.3775	: 2.1588
WEST COAST (WSP, Delivered, LTL)							
-- Process 5# Loaf	:: 1.3600 - 1.6900	:: 1.3400 - 1.6900	:: 1.3400 - 1.6900	:: 1.3275 - 1.6900	:: 1.3275 - 1.6900	:: 1.5133	: 1.7525
-- Cheddar 40# Block	:: 1.3625 - 1.7300	:: 1.3325 - 1.7300	:: 1.3325 - 1.7300	:: 1.3475 - 1.7300	:: 1.3475 - 1.7300	:: 1.5359	: 1.7000
-- Cheddar 10# Cuts	:: 1.5975 - 1.7800	:: 1.5675 - 1.7800	:: 1.5675 - 1.7800	:: 1.5825 - 1.7800	:: 1.5825 - 1.7800	:: 1.6784	: 1.9313
-- Monterey Jack 10#	:: 1.5475 - 1.7800	:: 1.5175 - 1.7800	:: 1.5175 - 1.7800	:: 1.5325 - 1.7800	:: 1.5325 - 1.7800	:: 1.6534	: 1.8463
-- Grade A Swiss Cuts 6 - 9#	:: 2.3375 - 2.5600	:: 2.3375 - 2.5600	:: 2.3375 - 2.5600	:: 2.3375 - 2.5600	:: 2.3375 - 2.5600	:: 2.4488	: 2.2163

MONTHLY SUMMARY AND AVERAGES FOR MAY 1997 1/ - (UNLESS OTHERWISE NOTED, PRICES ARE DOLLARS PER POUND, CL/TL)

COMMODITY	REPORT NUMBER 18	REPORT NUMBER 19	REPORT NUMBER 20	REPORT NUMBER 21	REPORT NUMBER 22	1997	1996
	MAY 01 - 02	MAY 05 - 09	MAY 12 - 16	MAY 19 - 23	MAY 26 - 30	Average	Average
						or Total	or Total
FLUID AND DRY PRODUCTS							
SPOT PRICES OF CLASS II CREAM (\$ per lb. butterfat)							
Delivered Equivalent:							
-- Northeast	1.0368 - 1.1502	1.0773 - 1.1745	1.1097 - 1.2069	1.1714 - 1.2740	1.3524 - 1.4602	1.2070	1.2425
-- Atlanta	1.0125 - 1.2988	1.0692 - 1.2988	1.0935 - 1.2988	1.1286 - 1.3127	1.3230 - 1.4896	1.2353	1.2544
-- Upper Midwest	1.1016 - 1.1502	1.1097 - 1.1502	1.1097 - 1.1502	1.1628 - 1.2141	1.3524 - 1.4112	1.1915	1.2545
SPOT PRICES OF CONDENSED SKIM (\$ per lb. wet solids)							
Delivered Equivalent:							
-- Northeast	1.1000 - 1.2800	1.1000 - 1.2800	1.1000 - 1.2900	1.1000 - 1.2900	1.0500 - 1.2900	1.1886	1.3498
WISCONSIN FLUID MILK SHIPMENTS							
-- Loads Shipped from Wisconsin Shipping Points	0	0	0	0	0	0	61
NATIONAL EVAPORATED MILK (\$ per Case)							
(Case - 48 - 12 fluid oz cans)							
-- Delivered Major U.S. Cities	22.5000 - 33.0000	22.5000 - 33.0000	22.5000 - 33.0000	22.5000 - 33.0000	22.5000 - 33.0000	27.7500	24.3750
NONFAT DRY MILK							
-- Central (f.o.b.)							
-- Extra And Grade A	1.1100 - 1.1400	1.0800 - 1.1250	1.0750 - 1.1300	1.0600 - 1.1200	1.0600 - 1.1100	1.0983	1.1600
-- Mostly	1.1100 - 1.1200	1.0900 - 1.1100	1.0800 - 1.0900	1.0700 - 1.0800	1.0700 - 1.0800	1.0871	1.1811
-- West (f.o.b.)							
-- Low/Medium Heat	1.0500 - 1.1100	1.0400 - 1.1000	1.0400 - 1.0800	1.0400 - 1.0700	1.0350 - 1.0700	1.0617	1.1360
-- Mostly	1.0700 - 1.1000	1.0500 - 1.0700	1.0400 - 1.0500	1.0400 - 1.0500	1.0400 - 1.0500	1.0524	1.1635
-- High Heat	1.1000 - 1.1500	1.1000 - 1.1350	1.0800 - 1.1300	1.0600 - 1.1200	1.0600 - 1.1100	1.1025	1.1659
-- Northeast (f.o.b.)							
-- Extra & Grade A	1.1300 - 1.1900	1.1100 - 1.1900	1.0800 - 1.1800	1.0800 - 1.1800	1.0600 - 1.1800	1.1357	1.1608
-- Southeast (Delvd)							
-- Extra & Grade A	1.1350 - 1.1700	1.1300 - 1.1600	1.1100 - 1.1350	1.0800 - 1.1350	1.0800 - 1.1350	1.1243	1.1941
WHEY POWDER (Nonhygroscopic)							
-- Central (f.o.b.)	0.1700 - 0.1900	0.1700 - 0.1900	0.1700 - 0.1900	0.1700 - 0.1900	0.1750 - 0.1900	0.1805	0.2168
-- Mostly	0.1725 - 0.1775	0.1725 - 0.1775	0.1725 - 0.1775	0.1725 - 0.1775	0.1750 - 0.1800	0.1755	0.2150
-- West (f.o.b.)	0.1900 - 0.2100	0.1900 - 0.2100	0.1900 - 0.2025	0.1900 - 0.2100	0.1900 - 0.2025	0.1984	0.2169
-- Mostly	0.1900 - 0.1975	0.1900 - 0.1950	0.1900 - 0.1950	0.1900 - 0.1950	0.1900 - 0.1950	0.1926	0.2100
-- Northeast Extra Grade (f.o.b.)	0.1700 - 0.1750	0.1700 - 0.1750	0.1700 - 0.1750	0.1750 - 0.1800	0.1750 - 0.1800	0.1746	0.2103
-- Northeast Usph Grade A(f.o.b.)	0.1700 - 0.1800	0.1700 - 0.1800	0.1750 - 0.1800	0.1775 - 0.1800	0.1775 - 0.1825	0.1774	0.2337
-- Southeast Extra Grade (Delvd)	0.1825 - 0.2125	0.1825 - 0.2125	0.1875 - 0.2125	0.1875 - 0.2125	0.1875 - 0.2125	0.1992	0.2427
WHEY PROTEIN CONCENTRATE							
-- Central And West (f.o.b.)							
-- Extra Grade 34% Protein	0.5500 - 0.6050	0.5500 - 0.6000	0.5500 - 0.6000	0.5500 - 0.5925	0.5500 - 0.5850	0.5729	0.5505
-- Mostly	0.5700 - 0.5900	0.5650 - 0.5850	0.5650 - 0.5800	0.5600 - 0.5800	0.5650 - 0.5750	0.5727	0.5559
ANIMAL FEED - WHEY							
-- Central (f.o.b.)							
-- Milk Replacer	0.1500 - 0.1650	0.1500 - 0.1700	0.1500 - 0.1700	0.1500 - 0.1700	0.1500 - 0.1700	0.1598	0.2025
-- Standard	0.1400 - 0.1550	0.1400 - 0.1550	0.1400 - 0.1550	0.1400 - 0.1550	0.1400 - 0.1550	0.1475	0.1959
-- Roller Ground	0.1775 - 0.1875	0.1775 - 0.1900	0.1775 - 0.1900	0.1775 - 0.1900	0.1775 - 0.1900	0.1836	0.2312
-- Delactose	0.3250 - 0.3550	0.3200 - 0.3500	0.3200 - 0.3500	0.3200 - 0.3500	0.3200 - 0.3500	0.3355	0.3268
-- Northeast (f.o.b.)							
-- Milk Replacer	0.1625 - 0.1675	0.1625 - 0.1675	0.1625 - 0.1675	0.1625 - 0.1675	0.1625 - 0.1675	0.1650	TFEWR
BUTTERMILK (Min. 30% protein)							
-- Central (f.o.b.)	1.0600 - 1.2150	1.0600 - 1.2150	1.0600 - 1.2150	1.0600 - 1.1950	1.0400 - 1.1650	1.1285	1.0210
-- West (f.o.b.)	1.0900 - 1.1600	1.1200 - 1.1600	1.0800 - 1.1650	1.0450 - 1.1450	1.0300 - 1.1150	1.1108	1.0099
-- Mostly	1.1200 - 1.1500	1.1200 - 1.1400	1.1000 - 1.1200	1.0800 - 1.1000	1.0700 - 1.0900	1.1067	TFEWR
-- Northeast (f.o.b.)	1.0900 - 1.1200	1.0900 - 1.1400	1.0900 - 1.1200	1.1000 - 1.1200	1.1000 - 1.1200	1.1095	0.9903
-- Southeast (Delvd)	1.0900 - 1.2250	1.1200 - 1.2500	1.0900 - 1.1500	1.0900 - 1.1500	1.0900 - 1.1500	1.1390	1.0409
WHOLE MILK POWDER							
-- National							
-- F.O.B. Producing Plant	1.2500 - 1.3100	1.1600 - 1.2700	1.1600 - 1.2300	1.1600 - 1.2300	1.1600 - 1.2300	1.2079	1.2665
LACTOSE							
-- Central And West (f.o.b.)	0.2300 - 0.2900	0.2300 - 0.2900	0.2300 - 0.2900	0.2300 - 0.2900	0.2300 - 0.2900	0.2600	0.1875
-- Mostly	0.2500 - 0.2700	0.2500 - 0.2700	0.2500 - 0.2700	0.2450 - 0.2700	0.2450 - 0.2700	0.2589	0.1825
CASEIN - Edible - National (f.o.b.)							
-- Nonrestricted - Rennet	2.2000 - 2.4100	2.2000 - 2.4100	2.2000 - 2.4100	2.2000 - 2.4100	2.2000 - 2.4100	2.3050	2.6652
-- Nonrestricted - Acid	2.0500 - 2.2000	2.0500 - 2.2000	2.0000 - 2.2000	2.0000 - 2.2000	2.0000 - 2.2000	2.1083	2.6534

1/ Prices for all products not footnoted 2/ or 3/ are issued once a week and represent a value for the entire week. Monthly averages are based on weekly prices and are time-weighted according to the number of workdays in the month - Saturdays, Sundays and National Holidays excluded. No monthly average is computed if one or more weekly prices are missing. 2/ The monthly averages are simple averages of all the prices reported during the month and are shown on the Friday line. 3/ The monthly averages are based on the exchange trading date prices and are time-weighted for each day, starting with the exchange trading date, until the next exchange trading date - Saturdays, Sundays, and National Holidays are included.

DEIP BID ACCEPTANCE**MAY 1997**

ACCEPTANCE DATE	DESTINATION	QUANTITY (MT)	DEL. PERIOD	BONUS/MT
NONFAT DRY MILK				
JULY - APRIL 1997		42,099		
05/01	AFRICA & MIDDLE EAST	200	MAY-JUL	\$858
05/01	CARIBBEAN, CENT & S. AM	306	MAY-JUL	\$819.67
05/02	AFRICA & MIDDLE EAST	108	MAY-JUN	\$912
05/05	CARIBBEAN, CENT & S. AM	17	MAY-JUL	\$835
05/06	AFRICA & MIDDLE EAST	283	MAY-JUN	\$880.65
05/06	CARIBBEAN, CENT & S. AM	105	MAY	\$835
05/07	CARIBBEAN, CENT & S. AM	100	MAY	\$835
05/08	CARIBBEAN, CENT & S. AM	414	MAY-JUN	\$850.14
05/08	ASIA & FSU	800	MAY	\$850
05/09	CARIBBEAN, CENT & S. AM	312	MAY-JUL	\$840
05/12	CARIBBEAN, CENT & S. AM	18	MAY-JUN	\$840
05/12	AFRICA & MIDDLE EAST	170	MAY-AUG	\$880
05/13	CARIBBEAN, CENT & S. AM	18	MAY-JUN	\$840
05/14	AFRICA & MIDDLE EAST	748	MAY-SEP	\$875.45
05/14	CARIBBEAN, CENT & S. AM	32	AUG-SEP	\$873
05/15	AFRICA & MIDDLE EAST	210	JUN-AUG	\$895
05/15	ASIA & FSU	315	JUN-JUL	\$800
05/16	CARIBBEAN, CENT & S. AM	20	MAY-JUN	\$840
05/16	AFRICA & MIDDLE EAST	17	MAY-SEP	\$870
05/16	ASIA & FSU	1,708	MAY-DEC	\$836.42
05/19	CARIBBEAN, CENT & S. AM	878	JUN-SEP	\$838.29
05/19	ASIA & FSU	424	MAY-DEC	\$851.08
05/21	CARIBBEAN, CENT & S. AM	156	MAY-AUG	\$776.54
05/21	ASIA & FSU	2,000	JUN-JUL	\$785
05/22	ASIA & FSU	2,100	MAY-SEP	\$810.38
05/22	AFRICA & MIDDLE EAST	195	MAY-SEP	\$862
05/22	CARIBBEAN, CENT & S. AM	134	MAY-JUN	\$807.31
05/23	ASIA & FSU	1,000	JULY	\$785
05/23	CARIBBEAN, CENT & S. AM	343	MAY-SEP	\$796.46
05/27	ASIA & FSU	500	OCT-JAN	\$785
05/27	CARIBBEAN, CENT & S. AM	204	MAY-AUG	\$780
05/29	CARIBBEAN, CENT & S. AM	17	JUNE	\$796
05/30	CARIBBEAN, CENT & S. AM	175	JUNE	\$789
05/30	ASIA & FSU	563	JUN-SEP	\$785
MAY 1 - 31, 1997		<u>14,590</u>		
PROGRAM TO DATE		56,689		
WHOLE MILK POWDER				
JULY - APRIL 1997		1,633		
05/05	AFRICA, MIDDLE EAST & FSU	32	MAY-JUN	\$1,050
05/15	CARIBBEAN, CENT & S. AM	65	JUN-SEP	\$975
05/19	CARIBBEAN, CENT & S. AM	59	MAY-JUL	\$1,018.19
MAY 1 - 31, 1997		<u>156</u>		
PROGRAM TO DATE		1,789		

DEIP BID ACCEPTANCE
MAY 1997

ACCEPTANCE DATE	DESTINATION	QUANTITY (MT)	DEL. PERIOD	BONUS/MT
CHEESE				
JULY - APRIL 1997		1,535		
05/05-C	AFRICA & MIDDLE EAST	1,000	JUN-AUG	\$739.50
05/08-C	AFRICA & MIDDLE EAST	80	JUN-AUG	\$670
05/15-P	AFRICA & MIDDLE EAST	29	MAY-AUG	\$210
05/19-M	AFRICA & MIDDLE EAST	13	MAY-JUN	\$585
05/22-M	AFRICA & MIDDLE EAST	44	MAY-AUG	\$560
05/30-M	AFRICA & MIDDLE EAST	23	JUN-JUL	\$570
05/30-P	CARIBBEAN, CENT & S. AM	57	MAY-SEP	\$303
MAY 1 - 31, 1997		<u>1,246</u>		
PROGRAM TO DATE		2,781		
C-CHEDDAR, G-GOUDA, M-MOZZARELLA, P-PROCESSED AMERICAN CHEESE, CC-CREAM CHEESE				
BUTTEROIL/ANHYDROUS MILKFAT				
JULY - APRIL 1997		4,271*		
05/06-A	CARIBBEAN, CENT & S. AM	76	MAY-JUN	\$1,200
05/07-A	CARIBBEAN, CENT & S. AM	105	MAY-JUL	\$1,228
05/12-O	CARIBBEAN, CENT & S. AM	31	MAY	\$1,208
05/21-B	CARIBBEAN, CENT & S. AM	20	MAY-JUL	\$610
05/29-A	CARIBBEAN, CENT & S. AM	17	MAY-JUL	\$1,491
MAY 1 - 31, 1997		<u>306*</u>		
PROGRAM TO DATE		4,577*		
A.-ANHYDROUS, O-BUTTEROIL, B-BUTTER				
*TOTALS DO NOT ADD DUE TO CONVERSION OF ANHYDROUS /BUTTEROIL TO BUTTER EQUIVALENT				
				PROGRAM-TO-DATE
TOTAL MT				65,836
TOTAL BONUS VALUE				\$54,468,000

Exporters of U.S. milk powder, butterfat and cheddar cheese are aided under the Dairy Export Incentive Program (DEIP), created by Food Security Act of 1985 and extended by the Food, Agriculture, Conservation, and Trade Act of 1990. Export sales are facilitated through payment of bonuses by the U.S. Department of Agriculture's Commodity Credit Corporation. Sales of dairy products will be made through normal commercial channels at competitive world prices. For further information call L.T. McElvain, (202) 720-6211. Conversion: 1 metric ton (MT) = 2,204.6 pounds. **SOURCE: FOREIGN AGRICULTURAL SERVICE**

APRIL 1997 DAIRY PRODUCTS HIGHLIGHTS

BUTTER production was 117.0 million pounds in April, 7 percent above April 1996 and 12 percent above March 1997. **AMERICAN TYPE CHEESE** production totaled 280.9 million pounds, 1 percent above April 1996 but 1 percent below March 1997. **TOTAL CHEESE** output (excluding cottage cheese) was 598.3 million pounds, 1 percent below April 1996 and 6 percent below March 1997. **NONFAT DRY MILK** production, for human food, totaled 120.3 million pounds, 3 percent above April 1996 and 10 percent above March 1997. **DRY WHEY** production, for human food, was 87.1 million pounds, 7 percent below April 1996 and 5 percent below March 1997. **ICE CREAM** (hard) production totaled 74.7 million gallons, 1 percent above April 1996 and 3 percent above March 1997.

PRODUCTION OF DAIRY PRODUCTS									
PRODUCT	APR 1997	PERCENT OF:		YEAR TO DATE 1/ PERCENT	PRODUCT	APR 1997	PERCENT OF:		YEAR TO DATE 1/ PERCENT
	1,000 LBS.	APR 1996	MAR 1997			1,000 LBS.	APR 1996	MAR 1997	
BUTTER	116,999	107	112	97	DRY BUTTERMILK	4,845	104	109	---
CHEESE					YOGURT (PLAIN AND FLAVORED)	133,847	96	96	---
AMERICAN TYPES 2/	*	280,919	101	99	101	CONDENSED WHEY, SOLIDS CONTENT 8/			
CHEDDAR	226,965	104	98	---	SWEET-TYPE, HUMAN FOOD	9,495	115	92	---
SWISS	16,004	93	95	---	SWEET-TYPE, ANIMAL FEED	2,045	96	104	---
BRICK & MUENSTER	9,189	97	101	---	DRY WHEY PRODUCTS				
CREAM & NEUFCHATEL	39,209	87	75	---	DRY WHEY, HUMAN FOOD	87,145	93	95	---
BLUE	3,665	132	102		DRY WHEY, ANIMAL FEED	5,744	101	108	---
HISPANIC	5,738	95	99		TOTAL DRY WHEY 9/	92,889	93	95	95
MOZZARELLA	184,738	97	93	---	LACTOSE, HUMAN FOOD & ANIMAL FEED	35,375	115	101	---
OTHER ITALIAN TYPES	50,382	106	87	---	WHEY PROTEIN CONCENTRATE				
TOTAL ITALIAN TYPES	235,120	99	92	100	HUMAN FOOD	23,316	101	97	---
ALL OTHER TYPES 3/	8,456	96	89	---	ANIMAL FEED	2,916	100	105	---
TOTAL	598,300	99	94	100					
COTTAGE CHEESE, CURD 4/	38,086	100	103	---	FROZEN PRODUCTS				PERCENT
COTTAGE CHEESE, CREAMED 5/	29,388	100	100	98	ICE CREAM (HARD)	74,730	101	103	103
COTTAGE CHEESE, LOWFAT 6/	28,377	100	96	103	ICE CREAM, LOWFAT (HARD)	10,651	114	95	---
CANNED EVAPORATED & CONDENSED					ICE CREAM, LOWFAT (SOFT)	20,792	87	102	---
WHOLE MILK	42,848	120	102	---	ICE CREAM, LOWFAT (TOTAL)	31,443	95	99	97
DRY WHOLE MILK	6,647	51	68	---	SHERBET (HARD)	4,313	95	106	97
NONFAT DRY MILK, HUMAN FOOD	7/ 120,271	103	110	101	YOGURT	8,788	78	137	74
DRY SKIM MILK FOR ANIMAL FEED	445	58	93	---					

MANUFACTURERS' STOCKS, END OF MONTH 10/							
PRODUCT	APR 1997	PERCENT OF:		PRODUCT	APR 1997	PERCENT OF:	
	1,000 LBS.	APR 1996	MAR 1997		1,000 LBS.	APR 1996	MAR 1997
DRY WHEY PRODUCTS				WHEY PROTEIN CONCENTRATE			
DRY WHEY, HUMAN FOOD	27,868	67	85	HUMAN FOOD	8,782	88	100
DRY WHEY, ANIMAL FEED	5,745	132	137	ANIMAL FEED	726	125	134
REDUCED LACTOSE & MINERALS--HUMAN & ANIMAL 11/	12,436	142	97	CANNED EVAPORATED & CONDENSED WHOLE MILK	27,210	54	106
LACTOSE, HUMAN FOOD & ANIMAL FEED	19,916	113	102	DRY WHOLE MILK	4,267	42	73
DRY BUTTERMILK, TOTAL	3,648	109	121	NONFAT DRY MILK FOR HUMAN FOOD	118,490	118	146
				DRY SKIM MILK FOR ANIMAL FEED	624	58	93

1/ 1997 cumulative as percent of 1996 cumulative. 2/ Whole milk cheese, including Cheddar, colby, washed curd, stirred curd, monterey and jack. 3/ Does not include Part Skim cheese beginning January 1996 or Hispanic cheese beginning June 1996. 4/ Mostly used for processing into creamed or lowfat cottage cheese. 5/ Fat content 4 percent or more. 6/ Fat content less than 4 percent. 7/ Includes combined Minnesota and Wisconsin production of 3,850,000 lbs. 8/ Final marketable product only. Does not include quantity used or shipped to another plant for further processing into dry whey or modified whey products. 9/ Excludes all modified dry whey products. 10/ Stocks held by manufacturers at all points and in transit. 11/ Reduced lactose and minerals stocks combined to avoid disclosure of individual operations. *Includes combined Minnesota and Wisconsin production of 125,084,000 lbs.

SOURCE: "Dairy Products," Da 2-6 (6-97), Agricultural Statistics Board, National Agricultural Statistics Service, USDA.

Supplement to “A Preliminary Report on Alternatives to the Basic Formula Price”*

In the report “A Preliminary Report on Alternatives to the Basic Formula Price,” four options were presented as replacements to the Basic Formula Price (BFP). At that time, the price series identified as Option 4 -- Competitive Pay Price & Product Price Formula -- was not available. This information is available now and can be requested from the Dairy Division at (202)720-7461. Following is a brief description of this option and some observations as to its relationship to the current BFP.

Option 4 varies from the current BFP in the following ways:

- (1) competitive pay price is for fluid grade (Grade A) milk;
- (2) competitive pay price is a survey of nine States. Current BFP surveys milk prices in Minnesota and Wisconsin only;
- (3) competitive pay price is adjusted for protein content, performance premiums, over-order premiums, and hauling subsidies;
- (4) competitive pay price includes a larger proportion of milk used to produce butter and nonfat dry milk. Current BFP is dominated by milk used to produce cheese; and,
- (5) change in butter/powder value in product price formula is a larger proportion of change in total product price value.

Following are some noteworthy observations concerning Option 4:

- (1) the competitive pay price, labeled Adjusted Grade A Base Month Price, was lower than the competitive pay price in the current BFP in 27 of the 35 months. The inclusion of price information for California and the adjustments made to the Grade A pay price that were not made to the Grade B pay price were the primary causes of this result;
- (2) for some months, the product price update was significantly different. The use of national production figures to assign weights to butter/powder and cheese in this formula increased the proportion attributed to butter/powder by 24 percentage points, on the average; and,
- (3) the summation of the competitive pay price and the product price formula update, labeled Updated Grade A Base Month Price, was, on the average, \$.11 **below** the current BFP. In the BFP Committees’s preliminary report, it was assumed that this summation would result in price levels that were higher than the current BFP and that the adjustment factor would be negative. Instead, \$.11 had to be added to the summation to approximate the current BFP. Average differences based on other time periods would yield different adjustment factors.

*Basic Formula Price Committee, Dairy Division, Agricultural Marketing Service, U.S. Department of Agriculture, April 1997.

CCC PURCHASES OF DAIRY PRODUCTS

	FOR THE WEEK OF JUNE 2 - 6, 1997				CUMULATIVE TOTALS				UNCOMMITTED INVENTORIES			
	TOTAL	CONTRACT	ADJUSTED	SINCE	SAME PERIOD	PERIOD ENDING	SAME PERIOD		PERIOD ENDING	SAME PERIOD		
	PURCHASES	ADJUSTMENTS	PURCHASES	10/01/96	LAST YEAR	05/30/97	LAST YEAR					
BUTTER												
Bulk	-0-	-0-	-0-	-0-	-0-	-0-	-0-		-0-		-0-	
Packaged	-0-	-0-	-0-	-0-	-0-	-0-	-0-		-0-		-0-	
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-	-0-		-0-		-0-	
CHEESE												
Block	-0-	-0-	-0-	-0-	-0-	-0-	-0-		-0-		-0-	
Barrel	-0-	-0-	-0-	-0-	-0-	-0-	-0-		-0-		-0-	
Process	356,400	-0-	356,400	988,800	-0-	-0-	-0-		-0-		-0-	
TOTAL	356,400	-0-	356,400	988,800	-0-	-0-	-0-		-0-		-0-	
NONFAT DRY MILK												
Nonfortified	2,960,852	-0-	2,960,852	3,789,217	-0-	-0-	-0-		-0-		-0-	
Fortified	-0-	-0-	-0-	-0-	-0-	-0-	-0-		-0-		-0-	
TOTAL	2,960,852	-0-	2,960,852	3,789,217	-0-	-0-	-0-		-0-		-0-	

MILK EQUIVALENT, MILKFAT AND SKIM SOLIDS BASIS, OF ADJUSTED PURCHASES (MILLION POUNDS)

	MILKFAT*	SKIM**		MILKFAT*	SKIM**
	BASIS	SOLIDS		BASIS	SOLIDS
WEEK OF JUNE 2 - 6, 1997 =	3.9	38.0	COMPARABLE WEEK IN 1996 =	0.0	0.0
CUMULATIVE SINCE OCTOBER 1, 1996 =	10.0	53.9	CUMULATIVE SAME PERIOD LAST YEAR =	0.0	0.0
CUMULATIVE JANUARY 1 - JUNE 6, 1997 =	10.0	53.9	COMPARABLE CALENDAR YEAR 1996 =	0.0	0.0

* Factors used for Milkfat Solids Basis: Butter times 21.80; Cheese times 9.23; and Nonfat Dry Milk times 0.22

**Factors used for Skim Solids Basis: Butter times 0.12; Cheese times 9.90; and Nonfat Dry Milk times 11.64

	CCC ADJUSTED PURCHASES SINCE 10/1/96 AND SAME PERIOD LAST YEAR (POUNDS) AND MILK EQUIVALENT AS A PERCENT OF TOTAL							
	BUTTER	CHEESE	NONFAT DRY MILK	MILK EQUIVALENT				
REGION	1996/97	1995/96	1996/97	1995/96	1996/97	1995/96	1996/97	1995/96
MIDWEST	-0-	-0-	988,800	-0-	-0-	-0-	91.6	0.0
WEST	-0-	-0-	-0-	-0-	3,789,217	-0-	8.4	0.0
EAST	-0-	-0-	-0-	-0-	-0-	-0-	0.0	0.0
TOTAL	-0-	-0-	988,800	-0-	3,789,217	-0-	100.0	0.0

SUPPORT PURCHASE PRICES FOR DAIRY PRODUCTS PRODUCED ON OR AFTER JANUARY 1, 1997MANUFACTURING MILK: Average Test 3.67% - \$10.20 per cwt.; 3.5% - \$10.10DOLLARS PER POUNDBUTTER: Bulk \$.6500; 1# Prints \$.6800CHEESE: 40 & 60# Blocks \$1.1300; 500# Barrels \$1.1000; Process American 5# \$1.1825; Process American 2# \$1.2225NONFAT DRY MILK: Nonfortified \$1.0470; Fortified \$1.0570; Instant \$1.2045Dairy Cow & Total Cow Slaughter under Federal Inspection, by Regions & U.S., for Week Ending 05/17/97 & Comparable Week 1996

Regions*											U.S. TOTAL		% DAIRY OF ALL												
	:	1	:	2	:	3	:	4	:	5	:	6	:	7	:	8	:	9	:	10	:	WEEK :SINCE JAN 1:	WEEK : SINCE JAN 1		
1997-Dairy cows HD (000)	:	0.4	:	1.5	:	5.7	:	5.2	:	20.7	:	2.6	:	2.6	:	1.2	:	7.4	:	2.8	:	50.0	1,171.3	44.9	46.4
1996-Dairy cows HD (000)	:	0.4	:	1.2	:	6.3	:	5.9	:	21.6	:	1.6	:	8.0	:	3.7	:	7.8	:	2.8	:	59.2	1,172.1	43.8	45.2
1997-All cows HD (000)	:	0.4	:	1.5	:	7.7	:	16.7	:	27.8	:	15.2	:	17.2	:	8.1	:	10.8	:	5.9	:	111.3	2,524.6		
1996-All cows HD (000)	:	0.4	:	1.3	:	8.1	:	17.7	:	29.8	:	25.2	:	23.9	:	10.6	:	11.4	:	6.7	:	135.2	2,595.7		

*For source, states included in each region, and historical data, see "Dairy Market News", Vol. 55, Report No. 31

CCC MARKET PRICE PURCHASES (POUNDS) 5/30/97

	JULY DELIVERY		AUGUST DELIVERY		SEPT DELIVERY		OCT DELIVERY	
PROCESS								
5# LOAF	554,400	\$1.2120-1.2336	277,200	\$1.2160-1.2533	277,200	\$1.2460-1.2683	475,200	\$1.2290-1.2833
SLICED	1,940,400	\$1.2020-1.2410	39,600	\$1.2625	475,200	\$1.2560	435,600	\$1.2340-1.2460
2# LOAF	--		752,400	\$1.3290-1.3695	752,400	\$1.3450-1.3870	--	
MOZZARELLA								
MOZZARELLA	846,720	\$1.2040-1.2160	40,320	\$1.2290	40,320	\$1.2390	40,320	\$1.2550
LITE MOZZ	161,280	\$1.3360	40,320	\$1.3360	161,280	\$1.3220-1.3440	--	
SHRED LITE	443,520	\$1.3760-1.3975	40,320	\$1.4120	201,600	\$1.3805-1.4040	201,600	\$1.3805-1.4260
AMERICAN								
CHEDDAR CUTS	119,850	\$1.4325	39,950	\$1.4325				
REDUCED FAT	39,950	\$1.5700	--					
REDUCED FAT CUTS	359,550	\$1.6300-1.6500	239,700	\$1.6300				
REDUCED FAT SHRED	384,000	\$1.6550	153,600	\$1.6750-1.6900				
BARRELS	1,480,000	\$1.1450-1.1650						
NONFAT DRY MILK								
INSTANT 6/4#	311,040	\$1.2611-1.3050						
INSTANT 25.6 OZ	349,440	\$1.3282-1.4209						
NONFORTIFIED	300,930	\$1.0906-1.1200						

CUMULATIVE TOTAL CHEESE PURCHASES SINCE 10/1/96 = 65,310,274

CUMULATIVE TOTAL NDM PURCHASES SINCE 10/1/96 = 9,024,320

BASIC FORMULA PRICE (BFP), MAY 1995* TO DATE & HISTORIC M-W (3.5% BF, \$/CWT.)

YEAR	JAN.	FEB.	MAR.	APR.	MAY	JUN.	JUL.	AUG.	SEP.	OCT.	NOV.	DEC.
1994	12.41	12.41	12.77	12.99	11.51	11.25	11.41	11.73	12.04	12.29	11.86	11.38
1995	11.35	11.79	11.89	11.16	*11.12	11.42	11.23	11.55	12.08	12.61	12.87	12.91
1996	12.73	12.59	12.70	13.09	13.77	13.92	14.49	14.94	15.37	14.13	11.61	11.34
1997	11.94	12.46	12.49	11.44	10.70							